

Message Text

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70-63

ACTION ARA-08

INFO OCT-01 SS-14 ADP-00 NSC-10 NSCE-00 CIAE-00 INR-10

NSAE-00 RSC-01 INRE-00 EB-03 PRS-01 TRSE-00 SEC-01

IO-03 USIA-04 OMB-01 L-02 RSR-01 /060 W
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P 091945 Z APR 73

FM AMEMBASSY SAN JOSE

TO SECSTATE WASHDC PRIORITY 3704

C O N F I D E N T I A L SAN JOSE 1230

LIMDIS

E. O. 11652: XGDS3

TAGS: PINT, CS

SUBJECT: UNIFICATION SOUNDS OUT VESCO

REF: SAN JOSE 1210

SUMMARY

THE UN, CLEARLY SURPRISED BY GONZALEZ MARTEN'S STRONG CAMPAIGN AND APPARENTLY UNSUCCESSFUL IN ITS OWN CRASH FUNRAISING EFFORT TO COUNTER GONZALEZ MARTEN'S NEWLY FOUND RESOURCES, HAS BEGUN TALKS WITH ROBERT VESCO'S ORGANIZATION. THERE ARE APPARENTLY NO DEALS CONSUMMATED YET, BUT PRESSURES ARE GROWING WITHIN THE PARTY TO REQUEST VESCO' FINANCIAL ASSISTANCE. END SUMMARY

1. ACCORDING TO HIGH UN SOURCES, UNIFICATION NATIONAL'S (UN) WITHDRAWAL FROM THE OPPOSITION PRIMARY CONTEST THAT HAD BEEN SET FOR MAY 20 AGAINST PARTIDO NACIONAL INDEPENDIENTE (PNI) CANDIDATE JORGE GONZALEZ MARTEN WAS BROUGHT ABOUT LARGELY BY THE FINANCIAL SQUEEZE IN WHICH THE UN SUDDENLY FOUND ITSELF AFTER RECEIVING INSIDE INFORMATION FROM THE BANCO NACIONAL THAT GONZALEZ MARTEN RECEIVED \$625,000 WHEN HE WAS IN MEXICO CITY TWO WEEKS AGO (SEE REF TEL). THIS SOURCE SAID THE UN ALSO SUSPECTED THAT THE MONEY ORIGINATED IN THE BAHAMAS, THUS SUGGESTING THAT VESCO MAY BE INVOLVED WITH GONZALEZ. ALREADY FACED WITH
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FINANCIAL DIFFICULTIES AND AFTER AN UNSUCCESSFUL CRASH EFFORT TO OBTAIN FINANCING FROM U. S. AND MEXICAN BANKING AND CORPORATE SOURCES, UN LEADERS DECIDED IT WOULD, BY FIGHTING IN A PRIMARY AGAINST A WELL FINANCED PNI, ONLY EXHAUST ITS TREASURY THEN HAVE TO TURN AROUND WITH ITS COFFERS DEPLETED AND ENTER THE MAIN EVENT AGAINST THE PLN'S DANIEL ODUBER.

2. THE UN ESTIMATES ITS CAMPAIGN BUDGET SHORTFALL CONTINUES TO BE 4,000,000 COLONES (ABOUT \$500,000). HIGH UN OFFICIALS HAVE BEEN IN CONTACT WITH ROBERT VESCO'S REPRESENTATIVE IN SAN JOSE TO EXPLORE THE POSSIBILITY THAT VESCO MIGHT SUPPORT THE UN CAMPAIGN, PRESUMABLY IN THIS AMOUNT. SOME UN LEADERS, MOSTLY THOSE OLD- GUARD POLITICIANS WHO FEAR FOR THEIR PERSONAL POSITIONS AND FORTUNES SHOULD THEY BE ON THE LOSING SIDE, ARE ARGUING THAT THE UN SHOULD TAKE THE PLUNGE. TREJOS ESCALANTE HIMSELF, IS SAID TO HAVE GIVEN HIS MONEY- MEN A FREE HAND, BUT HE HAS TOLD THEM HE REMAINS ABOVE ANY DEAL AND SAYS HE WILL NOT BE BOUND TO ANY COMMITMENT MADE IN EXCHANGE FOR FINANCING. NEVERTHELESS, IF VESCO FINANCING IS FORTHCOMING, UN PARTY LEADERS SEEM PREPARED TO COOPERATE WITH THE PLN TO TONE DOWN THE REPORT THAT WILL EMERGE FROM THE NATIONAL ASSEMBLY'S COMMISSION INVESTIGATING MUTUAL FUNDS IN COSTA RICA, PARTICULARLY WITH RESPECT TO ROBERT VESCO AND CLOVIS MCALPIN. IN THE EVENT A DEAL WITH VESCO IS REACHED, GUILLERMO JIMENEZ, THE UN'S CHIEF FUND RAISER, ALLEGED INSTIGATOR OF THE UN DECISION TO SEEK VESCO HELP, AND AN OPPOSITION MEMBER OF THE INVESTIGATING COMMISSION, IS APPARENTLY READY TO COOPERATE WITH PLN COMMISSION MEMBERS TO TURN OUT A POSITIVE REPORT ON VESCO'S ACTIVITIES HERE.

3. COMMENT: IF THE UN SUGGESTION THAT VESCO MONEY CAME TO GONZALEZ MARTEN FROM THE BAHAMAS IS BORNE OUT, AND THE UN ITSELF REACHES A SIMILAR DEAL, VESCO WILL HAVE ENTRENCHED HIMSELF ACROSS THE SPECTRUM OF THE COSTA RICAN POLITICAL SCENE. HOWEVER, IT SHOULD BE STRESSED THAT WE HAVE NO SEPARATE CORROBORATION THAT GONZALES MARTEN DID IN FACT RECEIVE NEW MONEY, OR, IF HE DID, THAT IT CAME FROM VESCO.
VAKY

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*** Current Handling Restrictions *** LIMDIS

*** Current Classification *** CONFIDENTIAL

Message Attributes

Automatic Decaptioning: Z
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 09 APR 1973
Decaption Date: 28 MAY 2004
Decaption Note: 25 YEAR REVIEW
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: golinofr
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973SANJO01230
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: RR
Errors: n/a
Film Number: n/a
From: SAN JOSE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19730437/aaaahyak.tel
Line Count: 108
Locator: TEXT ON-LINE
Office: ACTION ARA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: LIMDIS
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators:
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: LIMDIS
Reference: 73 SAN JOSE 1210
Review Action: RELEASED, APPROVED
Review Authority: golinofr
Review Comment: n/a
Review Content Flags:
Review Date: 17 JAN 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <17-Jan-2002 by boyleja>; APPROVED <11 FEB 2002 by golinofr>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: <DBA CORRECTED> gwr 971212
Subject: UNIFICATION SOUNDS OUT VESCO
TAGS: PINT, CS, PINT
To: ARA
SECSTATE WASHDC
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005